HUGO*vision*

Assessing the economic and political environment in New Zealand

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A month is a long time in politics

Five weeks ago, the Commerce Commission released its report on supermarket competition.

Consumer affairs minister David Clark's response was cautious and as limp as the commission's report was judged to be by that part of the electorate and commentariat yearning for dramatic action on an uncompetitive sector.

It is striking to consider how little focus there was on March 8, when that final report was published, on inflation and the cost of living compared to today.

In that short space of time, the **omicron outbreak has** – as we have been saying was likely since early this year – **receded** and with it, public engagement with covid-19 as the primary animating topic in politics.

The pandemic is not over, but the relaxation of restrictions and the palpable evidence of life returning to offices and CBDs suggests that NZ is moving on.

Replacing covid emphatically in April have been two related concerns: rising prices for consumption goods and falling real estate values.

There is still a risk that there will be another covid outbreak, but the ubiquity of the virus in the NZ community has fundamentally changed how the govt will manage it in the future.

The PM maintains her inherent caution – airports and airlines are waiting impatiently for signs that pre-departure and post-arrival testing to be abandoned.

But she has also managed her first week out of the country without incident, beyond some bumbling execution in the Singapore leg of the trip.

And she **will head to the US for 10 days in late May** and to Europe towards the end of June, where the **re-election of French president Emmanuel Macron** is rekindling hope for progress on an **EU-NZ FTA.**

In our judgement, Macron's win does not necessarily help that prospect. His majority is cobbled together from factions of the French electorate that simply opposed ultra-right wing Marie le Pen. There is no more constituency for trade liberalisation in protectionist France than there has ever been.

But at least he is a democrat and, as this newsletter has observed previously, the Ukraine war is having the unexpected effect of galvanising western democracies to refind their missing mojo.

What is David Parker up to?

David Parker's out of the blue speech on tax principles has provoked an orgy of speculation as to the govt's tax intentions.

The speech is notable for doing something most ministers don't bother with at present – a long exposition of policy principles that seeks to anchor whatever the govt might consider in a clear framework.

For Parker, this ranges from citing principles for an effective tax system outlined by Adam Smith in 'The Wealth of Nations' through to French economist Thomas Piketty's recent but now widely accepted thesis that most govts over-tax income and consumption and under-tax accumulated wealth.

Parker was at pains to say that by seeking new research into tax distribution, he was not pursuing any particular outcome. Likewise, his proposed Tax Principles Act is not a formula for any particular new tax, but an attempt to create a discipline similar to the Fiscal Responsibility Act to future tax policy.

That said, **for those looking for clues as to where Parker's thinking is heading**, and for hints of a tax "shift" of a kind that might galvanise support for another Labour-led govt, **Parker's emphasis on consumption tax may be as instructive as his focus on understanding wealthy NZers' circumstances better.**

He openly addresses the fact that **GST is a "regressive" tax and praises the way then Finance Minister Bill English sold the increase from 12.5% to 14% as a political "masterclass"**, despite disagreeing with the logic employed.

For a govt facing rampant inflation, anger over food prices, and a natural political constituency that is impatient about Labour's caution in ruling out a capital gains tax, **Parker seems to open the door to a reverse of the English "switch"**.

If the rate of GST were cut, delivering an effective marginal tax rate cut to lower income taxpayers, accompanied by sme new approach to taxing wealth, **might Labour be onto something**?

Parker, again, seems to hint so, stating emphatically that "we will win that argument", referring to Christopher Luxon's recent floundering on the age-old journalistic trick of focusing on the way income tax cuts benefit the wealthiest the most.

It would be unwise to read any definitive explanation into the Parker speech, but it would also be unwise not to imagine that he doesn't have approval from the most senior levels to have made the speech.

The key to it is arguably in these three sentences: "The effective marginal tax rate for middle income kiwis is generally higher than it is for their wealthier co-citizens. Indeed some of their wealthier Kiwi compatriots pay very low rates of tax on most of their income.

"It is rare for the debate to properly factor in the effective rate of that regressive tax – GST – as a percentage of income, or for that debate to include economic income that is untaxed."

Combined with supermarket reform and a shift in political priorities created by the impact of the pandemic, it is w**orth at least speculating that Parker is hinting at avenues that Labour might seek to mount the comeback that it needs** if it is not to lose next year's election.

Supermarket reform: reading the tealeaves

There are increasing signs that the govt will take some unusual political risks by pursuing more **interventionist reform** of the supermarket sector than the Commerce Commission has proposed.

David Clark has discussed divestment as an option, and a **submission from food consultancy Coriolis** to the ComCom proposed **regional market share caps, with compulsory divestment if they were breached.**

The commission didn't pick that recommendation up, but might the govt?

Full steam ahead on 3 Waters

Whatever speed wobbles the govt may have experienced with its 3 Waters reform programme earlier in the year, it has overcome – or is perhaps ignoring – them.

It has essentially accepted all of the substantive working group recommendations, none of which altered the fundamental tenor of the reforms.

That is: there will be four national entities, a somewhat cumbersome two-tier governance structure, a more robust mechanism to reduce the likelihood of privatisation to almost nil, and an unlocking of substantial, long term central govt funds to improve and extend water infrastructure.

At first blush, this level of commitment is surprising. The **policy is fraught with race politics and legislation will be before the House at the same time as the local body elections** later this year. The policy is subject to a revolt by a large number of councils, including rejection by the largest, Auckland.

There is also a **serious challenge to the Treaty-based elements of the policy being mounted** by a lobby known as the Water Users Group, one of a number of offshoot organisations with links to the Taxpayers Union. Depending on court dates, this could yet be a significant embarrassment to the govt.

The following conclusions can be drawn:

- The **Maori caucus is making 3 waters a make or break policy** issue, perhaps at the expense of other policy aspirations.
- The Cabinet and Labour caucus are comfortable that the **Regional Representative Groups** – the overarching bodies on which iwi representation will be equal – is **not a threat to good governance of water assets**, since the RRGs will be overseeing a board appointed on merit and appropriate skills. This is the somewhat **cumbersome two-tier governance process.** In other words, the Cabinet is comfortable that equal co-governance for iwi at that high level is not only appropriate, but a political bottom line of sorts.
- Policy inertia has set in. There is simply **no appetite, after nearly two decades of creeping up on this problem and five years of policy work to revisit the wider arguments** relating to the number of entities, whether it is true that local councils couldn't borrow more to fund their own water infrastructure needs, and whether the reforms amount to an expropriation.

Wisely or not, the govt has decided to burn political capital on this issue. It is likely that its polling and other opinion sounding finds the policy's opponents are not Labour voters anyway and that the policy has broad support among its core constituency, Green-leaning voters, and that water infrastructure is not a voting issue for a great many people.

To the extent that it is a **"culture wars"** issue, it appears the govt both recognises and is willing to wear that risk.

Today's announcements rather disingenuously state that "co-governance on the board of the four water entities (is) ruled out by Local Govt Minister with board membership to be based on skill".

This was the working group's recommendation and is not so much a ruling out as an endorsement.

Evidence of **sensitivity to the wider, bubbling political antipathy** to 'culture wars' and race issues is evident in quietly **burying its intention to legislate for hate speech** and the **"pause" this week of the controversial members' bill seeking equal Maori representation on the Rotorua District Counci**l.

Border questions

Airlines and airport operators are increasingly impatient for the government to indicate when it will start to relax pre-departure covid testing.

With many countries - Australia and Singapore among the latest - dropping the requirement, their ongoing requirement for entry to NZ is a growing barrier to resumption of tourism and other travel.

There must be a reasonable chance this "pause" will be semi-permanent, at least in this parliamentary term.

The politics of insurance risk in climate change adaptation

The govt is giving itself until August to come up with its first national climate change adaptation plan, releasing public discussion documents this week that go to the heart of the **future ability to insure assets at risk from climate change** effects and the **burden-sharing regime for funding managed retreat** from at-risk areas.

The documents are long-winded in their identification of both the nature of the risks and the very large number of existing policy workstreams that can be said to be part of the emerging response.

However, in essence, they **encourage submitters to tackle flood risk as a proxy for many of the issues that are coming down the track**, given that extreme weather events are likely to be the primary source of property damage.

Commerce Minister David Clark is already working on this, and the second, shorter of the two documents released this week, on managed retreat, is clearly where submitters should initially focus.

The longer, big picture document does include a case study based on the UK's transitional flood insurance, Flood Re. The scheme has worked to the extent that it has given property owners a 30 year breathing space, but has arguably increased moral hazard by actually improving the availability of insurance for flood-prone areas.

The issues are politically challenging as no govt will leave existing property owners uncompensated if forced to retreat from areas prone to flooding by rivers or sea level rise.

However, it **must draw a line the sand somewhere** to discourage new owners from buying such property on the assumption of compensation and make clear to local councils and would-be developers that resource consents should not be issued casually in flood-prone areas.

Govts can expect to have to offer Crown land for resettlements and to fund replacement core infrastructure when managed retreat is required.

However, **the Crown does not want to be saddled with being forced into the costs of building flood protection works that may fail** anyway, **and then be on the hook to compensate property owners who should arguably have known the risks.**

"Clear signalling or initiation of adaptation responses, including retreat through regional spatial strategies that identify risk zones and areas where adaptation may be necessary," the documents say.

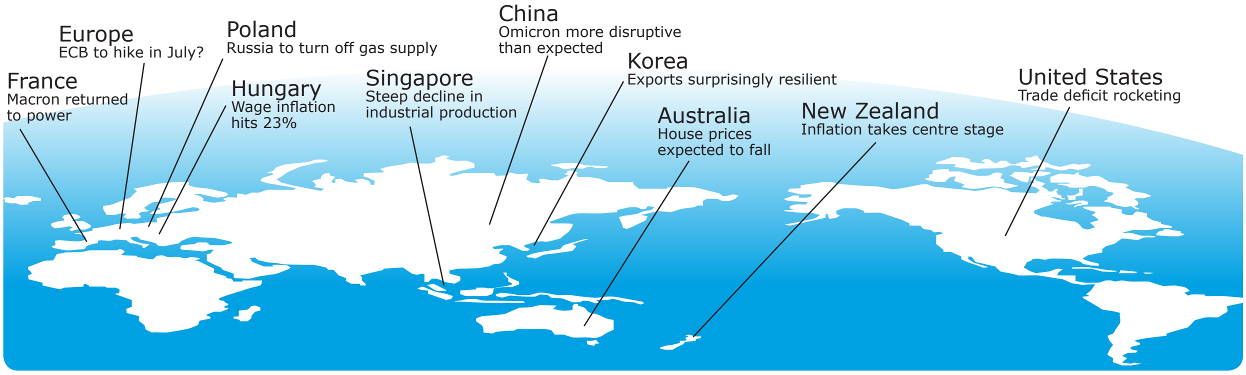
This **could also include "powers and processes to address ownership of property that is retreated.**"

The RMA reforms therefore become an important part of the framework for establishing both rules and expectations for future land development in vulnerable areas.

Climate Change Minister James Shaw made two other important distinctions at this week's announcements":

- The **Crown will step in to assist property owners where there is evidence of "hardship"**. This should be read as willingness to assist, for example, low income rural communities such as those in flood-prone Tairawhiti rather than beachfront bach owners.
- It is **not yet clear whether ETS revenues will be available for adaptation costs**. Last year's Budget announced that ETS revenues would form a Climate Emergency Relief Fund, for use on emissions reduction initiatives. Whether it may be extended to cover adaptation remains to be seen. Given how far from meeting its Paris commitments NZ is likely to be, the CERF may be required in large part to fund the purchase of offshore carbon credits.

The world at a glance



Immigration gripes

Sectors including hospitality and aged care are concerned over a **new work visa rule** which will require migrant workers to be paid at least the median wage saying they are already experiencing a workforce crisis.

A public-private visa pilot designed to bring entrepreneurs and changemakers to NZ was extended by a further year.

Train wreck interviews

TVNZ's 'The Nation' is establishing itself as appointment viewing. Last Saturday's edition involved interviews with Christopher Luxon and Labour's Willie Jackson which were both, to varying extents, train wrecks.

Luxon's was, on balance, the better interview although he made a very average fist of handling a series of tendentious and unoriginal questions relating to the inevitability that high income earners do better from income tax cuts than low income earners. Left wing boosters crowed at the performance, but perhaps to draw attention away from Jackson's woeful attempt to shed light on the govt's increasingly alienating Maori co-governance policies.

By claiming that "democracy has changed" in NZ and that decisions are made "by consensus" rather than "the tyranny of the majority", **Jackson could not have expressed himself less clearly.**

That **may be true of the current Cabinet's decision-making dynamic**, but it is not even a national trend, let alone embedded approach.

His timing was particularly poor because he was speaking in the context of launching discussions on the highly charged issue of ratifying the UN Declaration on the Rights of Indigenous People.

The politically incendiary He Pua Pua report was written as an input to UNDRIP policy considerations.

They may inform Maori political aspiration, but that is a long way short of making it policy.

The polls

National climbed 2.5 points to 37.8% in the latest Taxpayers' Union-Curia poll, 1 point ahead of Labour on 36.8%, up 0.6 points. The Greens were on 9.4%, down 3 points. Act also fell, down 2.8 points to 8.4%. Te Pāti Māori lifted 3.5 points to 3.6%. The poll of 1,000 people ran from April 7 to April 13.

Christopher Luxon polled 28.6% as preferred PM, up 2 points. Ardern polled 36.3%, down 1.5 points. Luxon had a higher net favourability than Ardern, with a net rating of 12 points to Ardern's 9. That represents a significant fall in favourability for Ardern who polled 33 in October last year. Luxon's net favourability continues to be buoyed by a larger number of people not having an opinion of him. Ardern has a larger number of people approving of her, as well as a larger number of people disapproving of her, giving her a lower net rating.

Trading partner growth

(2020-2021 actual; 2022-2024 Hugo and Consensus Forecasts)

Trading partners		GDP Growth (ann avg %)					CPI Inflation (ann avg %)				
	Weights %	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
China	36.2	1.8	8.1	4.9	5.1	5.2	2.5	0.9	2.1	2.2	2.2
Australia	15.4	-2.2	4.7	4.1	3.0	2.7	0.8	2.9	4.2	2.7	2.1
United States	12.6	-3.4	5.7	3.2	2.2	2.0	1.2	4.7	7.0	3.2	2.3
Japan	6.4	-4.5	1.7	2.1	1.8	0.9	0.0	-0.2	1.6	1.0	0.6
Eurozone	5.4	-6.5	5.3	2.8	2.3	1.7	0.3	2.6	6.5	2.4	1.4
South Korea	3.4	-0.9	4.0	2.8	2.5	2.4	0.5	2.5	3.6	2.1	1.4
United Kingdom	2.8	-9.7	7.4	3.9	1.4	1.5	0.8	2.6	7.2	3.9	2.2
Singapore	2.1	-5.4	7.6	4.0	3.2	2.3	-0.2	2.3	4.0	2.4	1.5
Hong Kong	2.2	-6.1	6.4	1.2	3.5	2.5	0.3	1.5	2.5	2.2	1.9
Taiwan	2.4	3.4	6.4	3.6	2.8	2.3	-0.2	2.0	2.6	1.7	1.4
Malaysia	1.8	-5.7	3.1	5.9	5.0	4.6	-1.1	2.5	2.7	2.3	2.0
Indonesia	2.3	-2.1	3.7	5.1	5.2	5.1	2.0	1.6	3.3	3.5	3.5
Thailand	1.8	-6.2	1.6	3.4	4.5	3.3	-0.8	1.2	4.3	1.6	1.2
Philippines	1.2	-9.3	5.6	6.7	6.1	6.3	2.6	4.0	4.2	3.4	3.1
Vietnam	1.6	2.9	2.6	7.1	7.1	6.9	3.2	1.8	3.3	3.7	3.8
India	0.9	-7.0	8.7	7.5	6.2	6.3	6.2	5.5	5.8	4.8	4.6
Canada	1.4	-5.2	4.6	3.9	2.8	2.0	0.7	3.4	5.2	2.5	2.1
NZ Trading Partners	100.0	-1.7	6.0	4.1	3.7	3.5	1.4	2.1	3.7	2.5	2.0
Forecasts for New Zealand											
Consensus		-2.0	5.6	2.8	2.8	3.7	1.7	3.9	5.7	2.7	3.1
BNZ Forecasts		-2.1	5.6	3.2	2.2	2.6	1.7	3.9	6.2	2.9	2.9
The World		-3.3	5.8	3.3	3.0	2.8	1.9	3.6	6.1	3.3	2.7

World growth slowing dramatically

The **IMF downgraded its global growth forecast** to 3.6% (from 4.4%) in response to the Ukraine situation and the lockdowns in China.

The 2023 projection was lowered to 3.6%, from 3.8%. The IMF has also **bumped up its inflation forecast** for advanced economies to 5.7% and for emerging and developing countries to 8.7%.

Food input crises rising

The Ukraine crisis is also sparking a **crisis in global edible oil markets**, affecting not only a staple in daily domestic food preparation but a vast swathe of processed food manufacturing.

Ukraine produces close to half the world's sunflower and saffron oil, shortages of which are boosting prices for other edible oil substitutes.

This is provoking civil unrest in some developing countries and, this week, **prompted Indonesia to ban exports of palm oil** for an indefinite period of time to stem rampant domestic inflation in this staple product after rioting.

That is having knock-on effects to other edible oils, including canola, oil, grapeseed and other cooking oils.

Meanwhile, **global grain prices** remain extremely high as concerns mount as to the size of this season's corn and wheat crops.

The UN estimates that plantings in Ukraine will be down by about a third and concerns are starting to mount that dry conditions in the US corn belt will restrict crop growth.

Brazil is also experiencing dry conditions in some of its winter-corn growing areas. Very high fertiliser prices are also hindering grain production.

Small-scale rice growers in Asia are struggling to pay for expensive fertilisers and this may result in a 10% reduction in rice production this year. So far rice prices have not risen like other grains due to surplus stocks but this situation is likely to change if a smaller crop is harvested this season.

Domestic economic indicators

Trade Me's latest **Rental Price Index** figures show on average the national median weekly rent increased 7% in the last year to $575. The largest increase was in Taranaki where rents increased 18% to $530. In Wellington, rents were up 6.8% to $630, while in Auckland they were up 3.4% to $610.

Seasonally adjusted **total credit card billings** were $3.8b in March, up 3.2% from Feb 2022. Overseas billings on NZ issued cards rose to $0.4b in March, as overseas travel restrictions eased. This was the highest value of overseas billings recorded in a month since Feb 2020. Domestic billings on NZ issued cards were $3.6b, up 2.2% from Feb.

Demand for mortgages and other consumer lending was **down sharply** in the six months ended March but demand from both small businesses and large corporates was up a little and agricultural demand was also moderately higher, the Reserve Bank's latest survey of 12 banks found. In the current six months ending Sept, the banks expect demand for mortgage lending to improve slightly and availability of mortgages will be down, although less restricted than previously. While demand for other types of consumer credit will remain negative, the banks expect credit availability to improve.

Small business sales slowed to 3.7% year-on-year growth in March after four months of double-digit increases while jobs growth slowed to a 2.7% annual pace from 4.1% in Feb, Xero figures showed. All sectors except hospitality and agriculture showed positive year-on-year growth, led by construction, up 6.2%, and professional services, up 4.7%.

The BNZ-Business NZ **Performance of Services Index rose 2.7 points** last month to sit at 51.6, which indicates the sector is in expansion. The index was led higher by growth in sales, stocks, and new orders, with the latter jumping to 60.1 in March from 55.3 in Feb. There were also signs that firms were hamstrung by skills shortages and supply chain disruptions, with both the employment and supplier deliveries sub-indices sitting below the break-even mark of 50.

The **ANZ business survey** found net confidence roughly unchanged at -42 in April and own-activity expectations up to just +8, from +3 in March. Inflation expectations remain very strong.

ANZ-Roy Morgan's consumer confidence showed a mild bounce in April. Perceptions of current personal financial situations improved 9 points to -15%, while a net 4% now expect to be better off this time next year, up 13 points. Households still think it's a very bad time to buy a major household item (-23%).

Inflation

The consumers price index rose 1.8% in the March quarter, bringing the annual rate to 6.9%, up from 5.9% in the Dec period. It is the highest annual inflation rate since 7.6% in the June 1990 quarter. The Reserve Bank had forecast CPI to rise 1.4% in the quarter, taking annual inflation to 6.6%, whereas bank economists predicted annual inflation between 7% and 7.4%.

Energy and resources

Gas discoveries in existing producing fields, particularly OMV's Maui and Greymouth Petroleum's onshore Taranaki holdings, are raising the prospect of a significant gas price correction later this year.

Enerlytica analyst John Kidd believes current very elevated gas prices will fall after the scheduled June Maui maintenance outage as long as the field returns to production on schedule.

With NZ carbon units now around $75 a tonne, that could see **Genesis Energy** switch away from imported coal – the price of which has bounced strongly because of the Ukraine war on top of the high carbon price – and bodes well for the operations of the **Methanex** Motonui units.

Political risk remains a factor affecting gas prices, but physical shortage has been a major driver of recent very high prices – and elevated electricity prices in the futures market. The **conditions for a structural fall in domestic gas prices appear credible**.

Elsewhere, **NZ Oil & Gas** is planning to shift its principal stock exchange listing to Australia after it raises up to $25m from a rights issue.

Mobil Oil NZ applied for clearance from the **Commerce Commission** to buy **Z Energy**'s stake in the Wiri to Auckland pipeline and the Auckland airport installation used to store jet fuel. Mobil, BP and Z currently jointly own the assets. Z expressed surprise at the approach. **Z will delist from the NZX on May 10** after final conditions for the sale were met.

Trustpower's special dividend payout from the sale of its retail business disappointed **Craigs Investment Partners** who said the one-off, unimputed, special dividend of 35 cents per share is well short of expectations of up to 65cps. Craigs downgraded its target price for Trustpower's shares from $7.20 to $6.50. Trustpower shares were down 12c to $6.69 in trading on Tuesday and $6.68 today.

A proposed upgrade of **NZ Windfarms'** Te Rere Hau windfarm near Palmerston North was granted a fast-track consent process. If granted it would allow replacement of 97 existing two-blade, 47-metre-high turbines with 30 new three-blade, 162-metre-high turbines. There is no capital raised at this stage to fund the project.

New transmission pricing released by **Transpower** this week will have its largest impact on NZ Steel, with estimated annual charges rising from around $3m p.a. to $14.1m. Mercury Energy also faces increases roughly equivalent to 250%.

As expected, exposure to the grid in the lower South Island produces the largest decreases, with **NZ Aluminium Smelters** and **Meridian Energy** the biggest winners from the outcome of the very prolonged review process by the **Electricity Authority.**

The EA also released its final word on culpability for **blackouts on Aug 9,** following the lead from the Pete Hodgson independent inquiry in laying responsibility squarely with Transpower.

The govt announced a further round of co-funding to **decarbonise industrial heat**. To date, some $68m in subsidies have been matched by private sector funding of $185m.

Promoters of a **green hydrogen industry** in NZ will host a two day summit on the issue in Wellington next week.

Primary sector

Fonterra's new capital structure has a green light from the govt with some caveats and legislation will be introduced later this year.

The **Rabobank-Federated Farmers Farming Salaries report** showed salaries across the sector were up a weighted average of 14% from two years earlier, with the mean salary rising to $63,931 in 2022 from $54,419 in 2020.

The **NZ Redwood Company** is selling its forestry estate which covers 8,000 hectares of freehold land across four blocks – the Ruapehu and Rangitikei districts in the North Island and the Canterbury region.

Prices fell 3.6% across the board in the last **Global Dairy Trade** auction, the third consecutive decline following a record peak on March 1.

The biggest slide came from whole milk powder, 4.4% to an average US$4207/MT. Skim milk powder – Fonterra's second biggest reference product – dropped 4.2% to an average US$4408/MT. All other products on offer also recorded declines.

The slide in global dairy prices follows the omicron outbreak in China and Westpac suggests the price weakness will prove temporary and has left its forecasts for the season unchanged.

Manufacturing and construction

In its third profit upgrade since listing on NZX last Nov, **Vulcan Steel** now expects net profit for the year ended June 30 to come in between $136m and $140m compared with $74m prior to listing.

Erson Developments told the 50 buyers of apartments in a $40m development on the Onehunga waterfront they had abandoned the project after delays and cost overruns made it uneconomic to finish.

Auckland Council released draft maps of the areas proposed for six and three-storey apartments, as part of its public consultation on higher density rules.

Transport, logistics and tourism

Air NZ will move its 1,200 Auckland-based staff out of its Viaduct Harbour CBD offices to its refurbished airport campus.

Move Logistics applied for a foreign exempt listing on the ASX and expects to be dual listed by the end of May.

Tourism Holdings' acquisition of **Apollo Tourism & Leisure** is looking less likely after the **Australian Competition & Consumer Commission** said it had preliminary competition concerns about the merger stifling other suppliers in the motorised RV rental market across Australasia.

The govt is instituting an **inquiry into port safety** after two recent deaths at the ports of Auckland and Lyttelton respectively.

Auckland Transport will own two new $18m electric ferries that will ply the Waitemata harbour. Current ferry operator **Fullers** will operate the ferries, although the long term tenure of the contracts is uncertain. The government is funding $27m of the purchase cost.

Tech and IT

Pushpay Holdings shares rose on news that third parties are looking to buy the company. Brokers said the approach was unsurprising as the shares were severely undervalued.

Amazon Web Services has received clearance from the Overseas Investment Office to build a $7.5b datacentre in Auckland.

Media and entertainment

Broadcasting minister **Kris Faafoi** named the establishment board to merge of **TVNZ and Radio NZ**, with former NZ First MP **Tracey Martin** as chair.

TV3 won the rights to broadcast eight free-to-air games at this year's women's rugby world cup in NZ. **Spark Sport,** the primary broadcaster, will broadcast every game live and on-demand.

Former governor-general **Patsy Reddy** was appointed to the **NZ Rugby** board along with Dunedin lawyer **Rowena Davenport**.

Good Spirits Hospitality has quit its $21.3m acquisition of Soul Bar-owner **Nourish Group** as the tumultuous state of the hospitality sector made it too hard to get the deal over the line.

Infrastructure

The govt will spend $1.4b on land decontamination, transport and water upgrades across five Auckland suburbs, enabling 16,000 new homes to be built on 245 hectares of crown-owned land. Mt Roskill, Mangere, Northcote, Oranga near Onehunga and the small eastern suburb of Tāmaki will have a combined 400 projects underway under the umbrella of the govt's **$3.8b housing acceleration fund**.

This is the single largest allocation to be made from the fund.

Services

Govt underfunding of aged care is "the number one issue" on **Summerset**'s radar, chair Mark Verbiest told the annual shareholders' meeting."It doesn't just affect Summerset, it's a broader issue affecting the whole sector and the health sector."

Capital markets

Vital Healthcare Property Trust's manager said it will raise $200m from an accelerated rights issue to fund about $225m of acquisitions and developments.

This is the third capital raising the manager has organised since Oct 2020. Before today's announcement, the trust had raised $302.4m in new capital since that date.

Retail investment platform **Stake** has raised another A$50m (NZ$54.6m) to fund its efforts to capture the growing market of DIY share traders.

Courts and regulation

A $10m claim by online tutoring firm **Eurekly** against **Crimson Education** has been settled out of court.

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